

November 5, 2009
The Honorable Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

RE: CG Docket No. 09-158, CC Docket No. 98-170, WC Docket No. 04-36

Dear Chairman Genachowski,

We write to you regarding the Notice of Inquiry (NOI) in the Matter of Consumer Information Disclosure, Truth-in-Billing and Billing Format, and IP-Enabled Services released on August 28, 2009 by the Federal Communication Commission (FCC). We greatly appreciate the Commission's efforts to address consumers' concerns regarding the advertising, billing, and contractual policies of America's wireless operators.

We would like to share the story of an ongoing dispute with our wireless carrier, T-Mobile, which we believe reflects several major issues plaguing customers' decision-making in choosing a wireless carrier. There is nothing unusual about our story – it simply reflects the everyday experience of Americans who need to go out and buy a cell phone plan.

On August 4, 2009, my husband and I walked in to a T-Mobile store in our neighborhood in Hyde Park, Chicago, and sought the plan that we thought would be the most affordable for us. I had already been on a T-Mobile plan for about 13 months, and because my husband had recently moved to the area with me, we wanted to save money by buying a "Family" plan. We certainly couldn't afford to switch to another carrier – T-Mobile's plan required me to stay locked-in for 2 years, and if I wanted to switch to a competitor, I had to pay \$200 to T-Mobile. When I purchased the plan, I was informed that this "Early Termination Fee" would be "pro-rated after a year", but when my husband and I walked into the store to see how much the pro-rated charge would be, the store clerk informed us that "pro-rated" meant that the fee would only be reduced after the 23rd month – when my contract was due to expire anyway. Later, T-Mobile clarified that the fee falls to \$100, when there are 6 months left on the account, and \$50, if there is less than 90 days on the account. (While frustrating, this was also amusing – my husband, who worked in India for several years, noted that there are no "contracts" – just month-on-month billing, with cost of getting a cell phone connection as low as \$2, per-minute charges of about 2 cents a minute, and most recently, per-second billing. Even with volume discounts, the 1500 minute family time plan offered by T-Mobile still works out to 5.3 cents a minute.)

With no option to shop around, we had to pick a T-Mobile plan. At the time, T-Mobile was advertising its "FamilyTime" plans. Looking at the brochures in the store, we found the following table:

FamilyTime plans	Shared	nationwide	T-Mobile	network,	Monthly price for two
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	WHENEVER Minutes	Nights & Weekends	lines*
FamilyTime Basic	700	UNLIMITED	\$59.99
FamilyTime Value	1000	UNLIMITED	\$69.99
FamilyTime Plus	2000	UNLIMITED	\$99.99
FamilyTime Max	3000	UNLIMITED	\$129.99
Add: - Up to three additional lines to any FamilyTime plan for \$9.99 each / month. - Unlimited domestic messaging for families for \$19.95 / month.**			

* Taxes and Fees additional. ** International messaging incurs separate additional charges.

We decided to choose the \$69.99 “FamilyTime Value” for 1000 minutes, and also added a \$4.99 messaging fee per line (400 messages each, for a total of \$9.98 extra). The total charges would \$79.97 a month, and of course, we had to be locked in again for another 2 years.

On going up to the counter to pay, we were informed that there would be a \$35 one-time “activation fee” (plus taxes and fees). Facing little choice, we agreed to it, and went ahead with the purchase.

On September 3, 2009, we received our first bill - for \$146.29. Even setting aside the “one-time activation fee” – which was now assessed at \$40.83, inclusive of taxes – the monthly bill that we would have to pay every month for the next 2 years was now \$105.46. This was an excess charge of about 32% on the advertised price of \$79.97 – all, it turns out, due to taxes and fees.

We tried to examine our bill to understand how the “taxes and fees” could add up to such a large amount. After about an hour of poring over our 7-page bill, we were able to discern the following:

“Taxes and Surcharges” on Pro-Rated Base Price of \$67.66*		Additional “Other Charges”, and “Taxes & Surcharges”		Total “Other Charges” and “Taxes and Surcharges”	
Cost Head	Amount	Cost Head	Amount	Cost Head	Amount
Federal Universal Service Fund	\$1.56	Federal Universal Service Fund	\$0.95	Federal Universal Service Fund	\$2.51
Telecom Excise Tax	\$4.85	Telecom Excise Tax	\$3.07	Telecom Excise Tax	\$7.92
Utility Use	\$4.85	Utility Use	\$3.85	Utility Use	\$8.70
		City 911	\$2.50	City 911	\$2.50
		State 911	\$0.76	State 911	\$0.76
		Regulatory Program Fee	\$2.42	Regulatory Program Fee	\$2.42
Total	\$11.26	Total	\$13.55	Total	\$24.81

* The \$69.99 plan was pro-rated to \$67.66, for the period August 4, 2009 to September 2, 2009.

In addition, we found large disparities on the tax and fee burden, depending simply on the area code of the number:

	Charges applied to 202 DC area code	Charges applied to 773 IL area code	Additional Charges applied to both accounts (i.e., not distinguished by area code)	Total
Federal Universal Service Fund	\$0.07	\$0.88	\$1.56	\$2.51
Telecom Excise Tax		\$3.07	\$4.85	\$7.92
Utility Use	\$0.78	\$3.07	\$4.85	\$8.70
City / State 911	\$0.76	\$2.50		\$3.26
Regulatory Programs Fee	\$1.21	\$1.21		\$2.42
Total	\$2.82	\$10.73	\$11.26	\$24.81

It is hard to fathom how Illinois's taxes and fees are five times that of DC. Equally important, customers could simply choose an area code with the lowest taxes and fees (as determined by T-Mobile), if they had the information available to them.

We raised this matter with T-Mobile, and we enclose copies of our letters to them, and their responses. T-Mobile maintains that because, contractually, we have agreed to pay all taxes and fees, they can charge us an extra 32%. This is not an insubstantial amount – due to the early termination fee, we are now obligated to be an extra \$612 over two years, unless we pay the \$200 termination fee to T-Mobile.

In summary, we hope that the Commission will consider the following issues in guiding wireless providers on the need for transparency with customers:

- **A reasonable limit on what can comprise “taxes and fees”:** Virtually no other purchase by Americans has such a large discrepancy between the advertised price and the actual price. Excluding charges for the USF, 911 services, “utility use”, or “regulatory programs” from the advertised price suggests that ordinary businesses and individuals don’t have similar obligations in their own fields. Lawyers, hairdressers, grocers, and automobile manufacturers all have social obligations, and there is no reason why wireless carriers should be able to falsely exclude these normal costs of their business from the price they advertise.
- **Clarity in billing:** A major consequence – whether intentional or not – of breaking out such a large number of costs related to government programs (as claimed by T-Mobile), is that the bill itself is virtually unreadable. In the 7-page bill, the “Monthly Summary” is a 7 x 4 matrix of charges. This is subdivided further in several tables running into the next 4 pages. We know what we have to pay, but we don’t really know why it’s so much more than what was advertised to us.

- **No early termination fees:** While seemingly beyond the scope of this rulemaking, we hope the commission will consider that customers really have little choice if they get stuck with charges that are higher than what they thought they were paying, and would like to stop the service. While it may seem small, an additional \$25 commitment each month is a significant burden on many Americans today, and at the very least, they should have the option to simply stop a service that they feel they cannot afford.

Thanking you,

Ellen Ramachandran
Phone: 202-489-2715
Email: ellen.ramachandran@gmail.com

Kartik Ramachandran
Phone: 773-510-3246
Email: ramachan@gmail.com

Annexure 1: Letter of Complaint to T-Mobile via Email dated October 5, 2009

Via Email

Dated: October 5, 2009

Dear Sir / Madam,

We are writing to seek a clarification on our bill dated September 3, 2009.

We signed on for t-mobile's \$69.99 per month "FamilyTime" plan in August 2009 (the two phone numbers are 773-510-3246 and 202-489-2715). Ellen O'Brien switched from her individual plan (phone number: 202-489-2715) into our single FamilyTime plan. Both of us added the \$4.99 per month messaging fee. The total bill, excluding taxes, was to have been \$79.98. For our bill dated, September 3, 2009, we were charged \$146.29.

Excluding a \$35 one-time charge, the total of other fees, surcharges, and taxes amount to \$31.31, or 39% of the basic bill of \$79.98. As this is a two-year contract, you will appreciate that these hidden fees require us to pay over \$750 over a 2-year period. All the publicity material associated with t-mobile's plans indicate that the charges were \$69.99, which grossly under-represents the monthly amount that we are required to pay. We respectfully request that you reduce the charges that we are required to pay to the amount advertised by you - namely \$79.98 per month.

In addition, we have the following specific queries regarding our bill, and certain payments deducted by t-mobile from our account:

1. On September 8, 2009, t-mobile automatically charged our bank account \$68.17. We would like a clarification of the billing details for these charges.
2. Under the "Other Charges" for 202-489-2715, there is an insurance charge of \$5.60, even though we specifically requested that insurance not be added to these accounts. Under the individual account (prior to August 4, 2009), Ellen O'Brien was required to pay about \$6 per month for insurance for her Blackberry. After the phone failed to work after 13 months, we filed a claim with Asurion, which charged a \$130 deductible - thus the total amount paid by us under the insurance plan was \$208, while the phone retails new at \$206 on the internet. Despite this, Asurion sent us a used replacement phone, one which did not even work. After our experience with this plan, we had specifically requested no insurance on the new FamilyTime plan.
3. Please note that the "taxes and surcharges" for the two numbers vary widely - while it is \$1.61 for 202-489-2715, it is \$9.52 for 773-510-3246. In fact, the details of the charges of \$9.52 indicate a "Telecom Excise Tax" of \$3.07, which is not applicable to the other number. In fact, all the other charges - for the Federal "Universal Service Fund", "Utility Use", "State 911" and "City 911" are inconsistent. Please note that these are hidden charges, and unfairly charged to our account.
4. As we are disputing the details of the bill, we request a waiver of any late charges or penalties until the matter is resolved.

We are dismayed to note that this pattern of complex and hidden charges reflects a behavior that is predatory on the part of t-mobile. We request that you reduce the charges required to be paid by us to the amount advertised by you - namely \$79.98 per month. We look forward to a prompt and amicable resolution to our queries, so that we do not have to escalate the matter to the appropriate regulatory authorities.

Thanking you,
Kartik Ramachandran & Ellen O'Brien

Annexure 2: Reply Letter Received from T-Mobile, dated



October 6, 2009

VIA E-MAIL

ramachan@gmail.com

Kartik Ramachandran
5125 S. Kenwood Ave.
Chicago, IL 60615-4052

Re: T-Mobile Account No. 716307110

Dear Mr. Ramachandran:

T-Mobile USA, Inc. ("T-Mobile") is in receipt of a correspondence dated October 4, 2009, regarding the above-referenced account. Please be advised that we have attempted to contact you, however, as the account is suspended, we are unable to leave a voice message. As such, T-Mobile will make every effort to address your concerns within this letter.

T-Mobile has reviewed the above referenced account and mobile number 773-510-3246 was activated on August 4, 2009; mobile number 202-489-2715 was moved to the account as a change of responsibility was completed on August 4, 2009. At the time of activation, the *FamilyTime Unlimited Nights 1000* rate plan was requested. This rate plan includes 1,000 shared Whenever minutes, unlimited nights, unlimited weekends, unlimited T-Mobile-to-T-Mobile, overage is assessed at \$0.45 per minute and monthly access charges per month is \$69.99. Additional features include 400-text messages for mobile number 202-489-2715 as this feature was grandfathered due to the change of responsibility and 300 text messages for mobile number 773-510-3246 at a cost of \$4.99 per month per line of service. Please be advised the prices provided do not include tax.

We have confirmed that your account was accurately assessed taxes based upon your geographical location determined by your billing address. Geographical tax jurisdictions are composed of cities, unincorporated county areas, and transportation districts. The taxes in question are assessed pursuant to terms and conditions. Pursuant to Section 11 – Taxes and Fees.

"You agree to pay all taxes, fees, and surcharges ("Taxes & Fees") imposed by the government. We may not always give advance notice of changes to these items. To determine Taxes & Fees, we will use the street address you identified as your Place of Primary Use ("PPU"). The PPU for Puerto Rico customers must be in Puerto Rico. If you did not identify the correct PPU, or provided us with an address (such as a PO box) that is not a recognized street address, does not identify the applicable taxing jurisdictions or does not reflect the Service area associated with your telephone number, you may be assigned a default PPU.

You agree to pay all other charges we assess to recover or defray governmental charges or costs we incur in connection with the services we provide, such as Federal Universal

T-Mobile USA, Inc.
PO Box 37380
Albuquerque, NM 87176

Service, regulatory and administrative charges, or gross receipts taxes, without regard to whether these governmental charges or costs fund programs that provide benefits to you or in your location. These charges are not taxes or regulatory fees imposed directly on you, nor required by law to be billed to you, may be kept by us in whole or in part, and the amounts and what is included in these charges are subject to change without notice."

Taxes that you raised questions about in your letter to T-Mobile are taxes imposed pursuant to the Terms and Conditions agreed upon at the time of activation. The Terms and Conditions are available for further review at www.T-Mobile.com.

As you have indicated that equipment protection was not to be brought over with the change of responsibility, T-Mobile has agreed to credit the feature for mobile number 202-489-2715. Credit issued at this time is \$5.60; this credit will be reflected on the November 2009 billing statement.

The following is a breakdown of the September 2009 billing statement:

- Pro rated monthly access charge including tax \$78.92
- Pro rated text messaging charge for mobile number 202-489-2715 including tax \$5.30
- Directory assistance call for mobile number 202-489-2715 including tax \$2.01
- Additional taxes for mobile number 202-489-2715 such as regulatory fee \$2.12
- Activation fee for mobile number 773-510-3246 including tax \$40.83
- Pro rated text messaging feature for mobile number 773-510-3246 including tax \$5.50
- Directory assistance call for mobile number 773-510-3246 including tax \$2.09
- Additional taxes for mobile number 773-510-3246 such as regulatory fee \$3.92

The account reflects a balance of \$140.69 and is currently past due and as such currently suspended. Our Financial Care department can be contacted at 800-937-8997 to arrange for payment no later than October 14, 2009 to avoid a full suspension and possible reconnection fees.

Should you have any further questions, please feel free to contact me at the address below or 877-290-6323, ext. 3418058.

Very truly yours,

T-MOBILE USA, INC.

Judy Salas
Executive Customer Relations

T-Mobile USA, Inc.
PO Box 37380
Albuquerque, NM 87176

Annexure 3: Reply Letter to T-Mobile Dated October 6, 2009

October 6, 2009

Via Email

ExecutiveResponse@t-mobile.com

Ms. Judy Salas
Executive Customer Relations
T-Mobile USA, Inc.
PO Box 37380
Albuquerque, NM 87176

Subject: Your Letter Dated October 6, 2009 regarding our Account No. 716307110

Dear Ms. Salas,

We are in receipt of your letter dated October 6, 2009, in response to our letter of complaint dated October 5, 2009.

1. We were unable to ascertain the reason for the automatic charge of \$68.17 on September 8, 2009 from our account, in your letter referenced above. The billing details provided by you pertain to the September 2009 billing statement, for which a payment of \$140.69 was due September 28, 2009. Our concern is that Ellen O'Brien's prior individual plan with t-Mobile (for which automatic payments were enabled) is continued to be billed to us, even after switching over to the *FamilyTime Unlimited Nights 1000* rate plan. The prior billing history for Ellen O'Brien's individual plan indicates payments on the July 6, 2009 (\$75.35), August 6, 2009 (\$114.78), and the payment we are disputing on September 8, 2009 (\$68.17). Ellen O'Brien is already being billed from August 4, 2009 to September 2, 2009 under the joint *FamilyTime Unlimited Nights 1000* rate plan. We request you to kindly clarify the reason for this payment, or credit these charges to our account.
2. As of October 6, 2009, we have cleared outstanding charges on our account of \$140.69. However, please note that we continue to dispute this amount payable to t-Mobile, as further detailed below.
3. Please provide us with information explaining how the one-time "activation fee" of \$35 for 773-510-3246, as indicated in the Service Agreement provided by t-Mobile, is now assessed at \$40.83, inclusive of taxes (as per your letter referenced above). Please also indicate where in our billing statement do the taxes of \$5.83 appear – we cannot identify the same in our bill.
4. With reference to your statement that we were accurately assessed taxes, we would appreciate it if you could share with us information on the taxes, fees, surcharges paid by t-Mobile to various tax jurisdictions, as well as the specific costs incurred by t-Mobile to defray government charges and costs, that would help us understand how these additional charges amount to 39% of our bill. We would also appreciate it if you could provide this information by tax jurisdiction, so we can better understand how the taxes and surcharges applied to Illinois is 380% of the taxes and surcharges applied to Washington, DC:

	Charges applied to 202-489-2715 (DC area code)	Charges applied to 773-510-3246 (IL area code)	Additional Charges applied to both accounts (i.e., not distinguished by area code)	Total
Federal Universal Service Fund	\$0.07	\$0.88	\$1.56	\$2.51
Telecom Excise Tax		\$3.07	\$4.85	\$7.92
Utility Use	\$0.78	\$3.07	\$4.85	\$8.70
City / State 911	\$0.76	\$2.50		\$3.26
Regulatory Programs Fee	\$1.21	\$1.21		\$2.42
Total	\$2.82	\$10.73	\$11.26	\$24.81

5. With reference to our Agreement with t-Mobile, we would like to draw your attention to t-Mobile's "Consumer Code" (available at your website at: http://www.t-mobile.com/Company/Community.aspx?tp=Abt_Tab_ConsumerCode), of which Point 1 states "For each rate plan offered to new consumers, wireless carriers will make available to consumers in collateral or other disclosures at point of sale and on their web sites, at least the following information, as applicable... (h) whether any additional taxes, fees or surcharges apply; (i) the amount or range of any such fees or surcharges that are collected and retained by the carrier". At no time were we informed that the additional fees on our account would amount to 39% of the rate advertised in the promotional materials available at the store, and in the explanation of charges provided verbally by t-Mobile's customer representatives.
6. Further, in reference to the hidden fees added to the advertised rate, please note that the Federal Communications Commission (FCC) Truth-in-Billing rules require telephone companies to provide clear, non-misleading, plain language in describing the services for which customers are being billed. The most essential information explaining *how much we would be charged* was withheld from us. In fact, as t-Mobile itself acknowledges in the Agreement, "other charges" are not even taxes or regulatory fees imposed by the government, and may be entirely retained by t-Mobile. It is entirely unclear why these charges were simply not included in the price advertised to us before signing the contract.
7. Further, as t-Mobile charges an "Early Termination Fee" of \$200 per line of service (total of \$400 for our 2 lines), our lack of awareness about the extent of hidden fees charged by t-Mobile at the time of signing the contract means that our liability to pay these charges extends for a full two years, unless we pay a \$400 fee for exiting our contract.
8. We would also like to note that in reference to the "Early Termination Fee" charged by t-Mobile, the customer representative informed Ms. Ellen O'Brien at the time of signing and individual contract that such a fee would be pro-rated by the number of months completed on the contract. In fact, when we entered the t-Mobile store to inquire about a *FamilyTime* rate plan,

we were informed that the “Early Termination Fee” would be pro-rated only after the 23rd month on the contract. This is plainly a violation of the terms communicated to us, and another instance of the lack of clarity and transparency in t-Mobile fees and terms. In fact, t-Mobile’s statement that Ms. O’Brien would be charged the entire Early Termination Fee, until the 23rd month, meant that we were forced to continue with the t-Mobile contract to avoid having to pay hefty charge of \$200 to exit the contract.

9. On a more detailed review of our bill, the billing details appear to be extraordinarily confusing, and grossly misleading relative to the price advertised to us. Recalling that the advertised price for our rate plan was \$69.99, please note the following details about our bill:
 - a. The billing statement itself is 7 pages in length.
 - b. On page 3, there is a 7 x 3 matrix of charges, of which, the amount of \$69.99 (pro-rated to \$67.66), is but one of 21 individual components.
 - c. On page 3, “Taxes and surcharges” (only on the base price of \$69.99) amount to \$11.26, and include:
 - i. Federal Universal Service Fund charges (\$1.56),
 - ii. Telecom Excise Tax (\$4.85), and
 - iii. Utility Use (\$4.85)
 - d. But, as indicated in the matrix on page 3, there are even more “other charges” and “taxes and surcharges” applied to the bill! An *additional* amount of \$13.55 is levied (excluding the wrongful billing of “equipment protection” charges, and the so-called “activation fee”). Note that total hidden fees now amount to \$11.26 + \$13.55 = \$24.81, or 36% of the advertised price!
 - e. Remarkably, the additional charges of \$13.55 include items that were already included in the “Taxes & Surcharges” of \$11.26 – a fact that is not directly indicated in the bill. In fact, as per the bill:

“Taxes and Surcharges” on Pro-Rated Base Price of \$67.66		Additional “Other Charges”, and “Taxes & Surcharges”		Total “Other Charges” and “Taxes and Surcharges”	
Cost Head	Amount	Cost Head	Amount	Cost Head	Amount
Federal Universal Service Fund	\$1.56	Federal Universal Service Fund	\$0.95	Federal Universal Service Fund	\$2.51
Telecom Excise Tax	\$4.85	Telecom Excise Tax	\$3.07	Telecom Excise Tax	\$7.92
Utility Use	\$4.85	Utility Use	\$3.85	Utility Use	\$8.70
		City 911	\$2.50	City 911	\$2.50
		State 911	\$0.76	State 911	\$0.76
		Regulatory Program Fee	\$2.42	Regulatory Program Fee	\$2.42
Total	\$11.26	Total	\$13.55	Total	\$24.81

10. Once again, we request that you reduce the charges payable by us to the amount advertised by you – namely \$69.99 per month for the *FamilyTime Unlimited Nights 1000* rate plan, and \$4.99 per month per line for text messaging.

Thanking you,

Yours Sincerely,

Kartik Ramachandran & Ellen O'Brien

Annexure 4: Reply Letter from T-Mobile, dated November 5, 2009



November 4, 2009

VIA E-MAIL

ramachan@gmail.com

Kartik Ramachandran
5125 S. Kenwood Ave.
Chicago, IL 60615-4052

Re: T-Mobile Account No. 716307110 & 571754384

Dear Mr. Ramachandran:

T-Mobile USA, Inc. ("T-Mobile") is in receipt of a correspondence dated October 6, 2009, regarding the above-referenced account.

T-Mobile records indicate that a change of responsibility was completed for mobile number 202-489-2715 on August 4, 2009 from account number 571754384 to account number 716307110. As T-Mobile bills in arrears and account number 571754384 was on *Easy Pay* the final billing statement for the billing period from July 11, 2009 to August 4, 2009 was withdrawn from the credit card provided when *Easy Pay* was established. It is T-Mobile's position that the funds were rightfully withdrawn. Charges for mobile number 202-489-2715 began on account number 716307110 on August 4, 2009 when the change of responsibility was completed.

Charges regarding the taxes for the activation fee were agreed upon at activation. The contract signed at the time of activation indicates:

"CUSTOMER ACCEPTANCE: By signing this form or activating or using T-Mobile service, I agree that:

*I will be charged a one-time \$35 activation fee and a monthly Regulatory Programs fee (not a government-required tax or charge) of up to \$1.21 (subject to change without notice; **plus tax**) per line."*

Please be advised that pursuant to the Terms and Conditions under Section 11 – Taxes and Fees you agree to pay all taxes and surcharges. Terms and Conditions are available at www.T-Mobile.com for further review.

Below is a break down of the taxes that were in questions. The break down is per line charges and taxes assessed at the account level.

T-Mobile USA, Inc.
PO Box 37380
Albuquerque, NM 87176

	202-489-2715	773-510-3246	Account Level
Chicago City 911		\$2.50	
Chicago Telecom Excise Tax		\$3.07	\$4.85
Chicago Utility Use Tax		\$3.07	\$4.85
DC Utility Use Tax	\$0.78		
DC 911	\$0.76		
FUSF - Federal Communications Commission	\$0.07	\$0.88	\$1.56
Regulatory Programs Fee	\$1.21	\$1.21	
Total	\$2.82	\$10.73	\$11.26

Please note that at the time of activation the monthly reoccurring charges indicates the amount *excluded* taxes and surcharges as these vary according to Place of Primary use. T-Mobile follows all Federal Communications Commission guidelines.

T-Mobile, like other wireless carriers, charges its customers a regulatory cost recovery fee. T-Mobile's Regulatory Programs Fee (RPF) is not a tax, but is a fee we collect and retain to help us recover the costs associated with funding and complying with a variety of government mandates, programs, and obligations. The RPF recently increased by 35 cents in all states to better reflect the impact of these government-related costs on our business, especially as we make use of new spectrum and deploy 3G technology throughout our network. T-Mobile has not changed the amount of its RPF since 2004, despite year-over-year increases in the nature and scope of government mandates, programs and obligations. Even with the modest increase in the RPF, T-Mobile continues to be a value leader in the wireless industry, continually striving to provide its customers with the best overall value. Our Terms and Conditions provide that the regulatory programs fee is subject to change at any time.

In regards to the early termination fees, if the account is canceled prior to the agreed upon contractual agreement a \$200.00 early termination fee would be assessed. The Terms and Conditions under *Section 3 – Your Terms of Service and Termination Fees*:

“You agree to maintain Service with us for your minimum term (“Term”). (Periods of suspension of Service do not count toward your Term.) After your Term, you will become a month-to-month customer. EXCEPT FOR MONTH-TO-MONTH CUSTOMERS, AN EARLY TERMINATION FEE WILL APPLY IF YOU CHOOSE TO END YOUR SERVICE BEFORE THE END OF YOUR TERM, OR IF WE TERMINATE IT EARLY. FOR SERVICE ACTIVATED, OR ACCEPTANCE OF A NEW ONE OR TWO YEAR TERM, ON OR AFTER 06/28/08, THE EARLY TERMINATION FEE IS: \$200 IF YOU TERMINATE WITH MORE THAN 180 DAYS REMAINING ON YOUR TERM; \$100 IF YOU TERMINATE WITH 91 TO 180 DAYS REMAINING ON YOUR TERM; \$50 IF YOU TERMINATE WITH 31 TO 91 DAYS REMAINING ON YOUR TERM; AND THE LESSER OF \$50 OR YOUR MONTHLY RECURRING CHARGES (including any

*applicable taxes and fees) IF YOU TERMINATE IN THE LAST 30 DAYS OF YOUR TERM. The Early Termination Fee is part of our rates and is not a penalty. **The Early Termination Fee applies only to the extent permitted by law. Unless you request otherwise, your termination will be effective at the end of your current billing cycle. You will remain responsible for all fees and charges for your Service and usage through termination. If you bought your wireless Device from an independent T-Mobile dealer or other third-party vendor, they may charge a separate termination fee.***

As such, it is T-Mobile's position that the account is being billed in accordance to the selected rate plan, features and taxes are accurately assessed based upon your geographical location determined by your billing address. T-Mobile considers all charges to be valid.

Should you have any further questions, please feel free to contact me at the address below or 877-290-6323, ext. 3418058.

Very truly yours,

T-MOBILE USA, INC.

Judy Salas
Executive Customer Relations

T-Mobile USA, Inc.
PO Box 37380
Albuquerque, NM 87176